

## REMARKS

Applicants have carefully reviewed the Office Action dated March 9, 2006. Applicants have amended Claim 1 to more clearly point out the present inventive concept. Reconsideration and favorable action is respectfully requested.

Claims 1-4 and 7-10 stand rejected under 35 U.S.C. § 102(e) as being anticipated by *Bedell*. This rejection is respectfully traversed with respect to the amended claim.

Applicants' present inventive concept, as defined by the amended claims, is directed toward a magnetic card reader that is operable to read the direct output of a magnetic head. This is a very small signal which is input to a data converter, such as an analog-to-digital converter, the output of which is an input to a digital processing section. The digital processing section then determines the bit boundaries by analyzing the analog wave form that represents the magnetic pulse. These bit boundaries are then defined and then timing information is extracted therefrom and the encoded information decoded therefrom.

The *Bedell* reference is a reference that utilizes an A/D converter that is basically a comparator. There is insufficient disclosure to determine how this operates, but it is fed into a F2F decoder. This F2F decoder is operable to receive a digital input and then decode the information therefrom. These decoders are fairly conventional. However, this decoder is typically a separate chip and the analog-to-digital converter must also be a separate chip. However, this data converter in the *Bedell* reference, although not described in detail, is believed to operate as a comparator. There is no disclosure set forth therein that the representation of the magnetic pulse is provided at the output of the A/D converter for use by the processing system for detecting the bit boundaries. As such, the F2F decoder does not detect bit boundaries; rather, bit boundaries are already defined.. Further, the Examiner had referred to the processor as consisting of the TTL controller (15). This is basically an RS232 controller type of serial transmission device which is operable to transmit the bits on the output of the F2F decoder. Therefore, Applicant believes that the *Bedell* reference does not anticipate or obviate Applicants' present inventive concept as defined by the amended claims in that there is no way for the

processor to determine potential bit boundaries, as there is no indication that the A/D converter provides such information without bit boundaries to any digital processing section. Again, F2F decoders typically receive a digital input and this input is the actual bit stream that has been extracted from the magnetic pulse reader. Therefore, Applicants respectfully request withdrawal of the 35 U.S.C. § 102(e) rejection with respect to Claims 1-4 and 7-10.

Claim 5 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over *Bedell* in view of *Coker*. This rejection is respectfully traversed.

The addition of the *Coker et al.* reference does not cure the deficiencies noted herein above with respect to the application of the claims under *Bedell*. Therefore, Applicants respectfully request withdrawal of the 35 U.S.C. § 103(a) rejection with respect to Claim 5.

Claim 6 has been rejected as being dependent upon a rejected base claim. Applicants note with appreciation the Examiner's indication that this would be allowable if rewritten to incorporate the limitations of any intervening claims. However, Applicants believe that the claims from which this claim depends are allowable. As such, Applicant has not amended Claim 6.

Applicants have now made an earnest attempt in order to place this case in condition for allowance. For the reasons stated above, Applicants respectfully request full allowance of the claims as amended. Please charge any additional fees or deficiencies in fees or credit any overpayment to Deposit Account No. 20-0780/CYGL-26,658 of HOWISON & ARNOTT, L.L.P.

Respectfully submitted,  
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